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| Date Mailed January 24, 2003 |
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BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application for Approval of Affiliated-Interest Agreement Subject to
FERC Jurisdiction By and Between American Transmission Company,
LLC, and Wisconsin Public Service Corporation - Generator Redispatch
and Capacitor Agreement

05-AE-113

NOTICE OF INVESTIGATION

THIS IS AN INVESTIGATION to consider the application of American Transmission Company, LLC, and its corporate manager ATC Management, Inc., (collectively ATC) for approval of a Generator Redispatch Agreement with Wisconsin Public Service Corporation (WPSC) under Wis. Stat. § 196.52.

This agreement, filed on August 19, 2002, is entered into pursuant to Attachment K of ATC's open access transmission tariff (OATT) approved by the Federal Energy Regulatory Commission (FERC). Pursuant to Attachment K, ATC is authorized to enter into agreements for the purpose of redispatching generation to provide greater assurance of reliable electric transmission service to its transmission customers.

This agreement permits ATC, for the period through August 2002, to control the operation of certain diesel generators installed in electrically significant locations on its system. The portion of the agreement pertaining to the installation and operation of the generators can be extended for an additional year. The agreement also provides for WPSC to install a number of distribution voltage capacitors on WPSC's distribution system to provide proper voltage stability for ATC's transmission system during the period ending August 31, 2004.

On December 20, 2002, Amendment No. 1 to the original filing was received. This amendment resulted from ATC's determination that generation is required by ATC in the Rhinelander Loop area¹ for longer periods and different periods of time than originally estimated over the next several years. ATC has continued to experience potential constraints on the Rhinelander Loop under even winter operating conditions. As a result, ATC and WPSC have determined that it is appropriate to amend the agreement to provide greater flexibility and greater opportunity for ATC to address ongoing potential Transmission System Constraints, particularly voltage instability.

¹ The 115kV transmission network located north of Wausau, Wisconsin, predominately in the counties of Lincoln, Oneida, and Langlade.

Under Amendment No. 1, ATC and WPSC have made modifications to the agreement to allow ongoing adjustments of the number and location of diesels connected on the Rhinelander Loop and to extend the operating period to provide coverage in the winter months. The Amendment also expands the locked-in initial portion of the Generator Term² to eliminate ATC's ability to terminate the arrangement prior to March 31, 2004.

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Questions regarding this matter may be directed to docket coordinator John Feit at (608) 266-5620.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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² The period of time during which WPSC is required to make generation available to ATC under the Agreement.